MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

February 2005

DATA SYSTEMS & ANALYSIS

Maryland Trauma Physician Services Fund

MHCC received approximately 47 applications for the period of service from July 1, 2004 through December 31, 2004. Seven trauma centers and 39 physician groups submitted applications to the Fund. Applications approved for payment will be forwarded to the Office of the Comptroller around the middle of February. Staff anticipates that applicants will receive funds issued by the Office of the Comptroller by the end of March.

Clifton-Gunderson, the Commission's Trauma Fund auditor, begun scheduling site visits and reviewing patient account records for ten faculty and physician practices who submitted an uncompensated care applications in Period 2 2004. Staff expects that the auditor will complete their site visits and present the findings from this audit to MHCC in late February. The auditor is also working on selecting a sample from the six on-call applications submitted during the same time period.

Last month staff conducted an education session in Salisbury aimed at updating billing and practice managers on changes related to submitting an application to the Fund. This was the third session conducted around the state in the last 60-days. These sessions were aimed at increasing trauma physicians and trauma centers awareness and utilization of the Fund. Attendees were informed about the Fund's first year activity and the enhancements to the uncompensated care and on-call application process. During the month staff developed a Medicaid billing check sheet intended to assist billing and practice managers on submitting Trauma Fund claims to Medicaid.

The Motor Vehicle Administration collected $828,987.93 in December. The Fund has a total balance of $11.8 million before any payments are made for FY 2005.

Data Base and Software Development

Medical Care Data Base

Staff is in the process of updating the Data Submission Manual for release March 1st on the MHCC Web site. Substantive changes include adding data elements to the encounter layout to delineate delivery system data and to the pharmacy layout to identify mail-order pharmacy utilization. In late January, staff contacted the six largest Maryland payers requesting National Council for Prescription Drug Program (NCPDP) numbers for their mail-order pharmacy providers. This information will be used to examine trends in mail-order utilization in the 2002-2003 analysis of privately insured patients.

Ambulatory Surgical Survey
Staff met with representatives from the Ambulatory Surgical Association to review changes in the 2005 Ambulatory Surgical Center Survey. Representatives from Greater Chesapeake Surgery Center, Dulaney Eye Surgery Center, and the Surgi Center of Baltimore participated in the survey review process. Metro Data will host the Web based application for the fourth consecutive year. Staff anticipates releasing the 2005 Ambulatory Surgical Center Survey at the end of February.

Assisted Living Facility Profile
Staff completed the initial development of a Web site that will contain information on over 300 assisted living facilities. The information available at the site is currently limited to characteristics of the facility, utilization information, and information on costs. The Web site will be reviewed with the Commission in March.

Cost and Quality Analysis

Practitioner Utilization Report
The staff will release ***Practitioner Utilization: Trends within Privately Insured Patients from 2002 to 2003*** at the March meeting of the Commission. The report, mandated under MHCC's enabling statute, examines payments to physicians and other health care practitioners for care provided to privately insured Maryland residents under age 65. The analyses are based on the health care claims that private health insurance plans submit annually to the Commission as part of the Medical Care Data Base. A key objective of this report is to attempt to quantify the change in professional services used by non-elderly privately insured Maryland residents. Chapter one of the report will describe the methods and limitations of the analyses. Chapter two contains examinations of trends in payments for broad categories of services and by different specialties. Separate analyses are conducted for services delivered by HMOs and non-HMO products.

The third chapter of the report examines trends in private sector payments relative to Medicare and three current issues topics. First, the level of payments to nonparticipating providers by HMOs is presented. The level of reimbursement of non-contracting providers by HMOs are set in Maryland law at the greater of 125 percent of the HMO's fee schedule or 100 percent of what the HMO pays any other similarly licensed provider for the same service in the same geographic region. The 125 percent rule will sunset in 2005. The second study examines out-of-pocket cost growth in the Comprehensive Standard Health Benefit Plan (CSHBP) compared to that in other group and individual market products. Finally, the report examines one source of increasing health expenditures over time – the diffusion of medical technology – in this instance imaging technology. While diffusion of this technology has contributed to improvements in treatment and outcomes, it has increased cost as well. In response to continual increases in diagnostic imaging utilization and costs, the Medicare Payment Advisory Commission (MedPAC) recommended a series of cost management strategies to Congress that, they argue, should be implemented by the Medicare Program to restrain growth in imaging utilization.

In conjunction with the report, a Spotlight Brief will be released that examines the use of physician services by privately insured children likely to be classified as overweight. The report and the Spotlight are being prepared with the assistance of the National Opinion Research Center (NORC).

Prescription Drug Spending Report
The Commission will release a report on trends in prescription drug spending at its April meeting. The report will be based primarily on the prescription drug component of the Medical Care Data Base. The report will have two primary sections. The first will provide an overview of current (2003) payment and utilization, as well as information on major trends (2001-2003). The information will be presented in a chart book format, with a series of charts/graphics and accompanying narrative similar in format to the State Health Care Expenditures Report. The second chapter will provide additional detail and depth on payment and use patterns in particular subpopulations, and will make comparisons to national data where appropriate, with a discussion of limitations and qualifications for comparability. A Spotlight Brief that will examine use of recommended asthma medications among privately insured Maryland residents will be released at the same time.

Partnership with DHMH's Diabetes Prevention & Control Program (DPCP)
Dr. Tim Lake of Mathematica Policy Research will present the findings from the MHCC/ DHMH-DPCP collaborative at the February meeting. A copy of the presentation slides and the Spotlight report were included in the Commissioner mailing. Dr. Lake will review the report findings at the Local Health Officers' Roundtable on February 9, 2005.

EDI Programs and Payer Compliance

Payer EHN Designation
In January staff notified 39 payers in writing of the reporting requirements outlined in COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks*. The regulations require payers doing business in the state to submit an annual EDI Progress Report. By month's end staff had received payer confirmation from nearly all payers notified of the reporting requirements. Over the next month, staff intends to mail these payers some additional guidance information for completing the 2005 EDI Progress Report. This is the first year that payers can obtain an electronic version of the 2005 EDI Progress Report at the Commission's Web site.

EHN Certification
Last month staff worked with IDX and Health Fusion, electronic health networks (networks) to complete the EHNAC (Electronic Health Network Accreditation Commission) accreditation and MHCC-certification application. These two networks currently redirect health care transactions in Maryland to EHNAC accredited and MHCC-certified networks. IDX and Health Fusion seek EHNAC accreditation and MHCC certification in order to send health care transactions to payers on a direct basis. Both EHNs are expected to submit applications to EHNAC and MHCC in February. Staff provided consultative support to Health Data Exchange (HDX) in completing their application for MHCC recertification, their initial certification expires in February.

Staff is developing a 2004 Dental EDI Fact Sheet for the Maryland State Dental Association and the Academy of General Dentistry. Locally and nationally dentists tend to trail other health care providers in adopting EDI. These two dental associations will be working with staff in the coming months on programs to boost EDI activity among their members.

HIPAA Awareness
MHCC's HIPAA education and awareness initiatives continued throughout January. Over the last month, staff received approximately 20 telephone inquiries from payers and providers requesting support information on HIPAA. During the month, staff provided support to the following organizations:

- Maryland Podiatric Association
- Maryland State Pharmacy Association
- Montgomery County Medical Association
- Maryland Ambulatory Surgical Association
- Frederick Memorial Hospital
- Peninsula Regional Medical Center
- Bayview Medical Center
- Software Unlimited

E-Scripting Initiative
Staff participated in a conference call with representatives from WebMD and ProxyMed to discuss issues relating to EHNAC's E-Script Accreditation Program. These two networks identified several enhancements to the proposed criteria. The criterion was developed collectively by the MHCC E-Script Workgroup and EHNAC. EHNAC has released the criteria for public comment at their Web site. The comment period concludes at the end of February and EHNAC is scheduled to formally adopt the E-Script Accreditation Program at their March meeting. Staff anticipates that EHNAC will implement the E-Script Accreditation Program around the third quarter of 2005.

PERFORMANCE AND BENEFITS

Benefits and Analysis

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)
On January 31, 2005, Commission staff mailed the survey material to all carriers participating in the small group market in Maryland to collect their annual financial data. The deadline for carriers to submit these data is April 1st. Staff will complete an analysis of the survey results, including number of lives covered, number of employer groups purchasing the CSHBP, loss ratios, average premiums as they relate to the 10-percent affordability cap, etc. Staff will present these findings to the Commission in the Spring.

Limited Health Benefit Plan
In 2004, the Maryland General Assembly enacted SB 570, requiring the Commission to develop a Limited Health Benefit Plan (LHBP) that will be available to certain small employers beginning July 1, 2005. Along with meetings with interested parties and a public hearing, staff worked with Mercer, its consulting actuary, as well as CareFirst and MAMSI, to develop alternative proposals that meet the statutory requirement of pricing the LHBP at 70% of the cost of the CSHBP as of December 31, 2003. Staff presented the proposals, along with draft regulations, at the December 2004 meeting. The Commission approved the draft regulations, which were posted for the thirty-day comment period beginning December 20, 2004.

Website
Commission staff have developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff have developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, Chambers of Commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation, and the Department of

Business and Economic Development. As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Health Savings Accounts
In December 2003, Congress passed the Medicare Prescription Drug, Improvement and Modernization Act, authorizing the offering of health savings accounts (HSAs) in conjunction with high deductible health plans. These plans became available to small employers in Maryland effective July 1, 2004 if carriers elect to develop and market them. The CSHBP regulations have been modified to accommodate this offering during the transition period (for contracts sold between July 1, 2004 and December 31, 2004) and may have to be further modified to accommodate additional federal guidelines in the future. Aetna began offering an HSA-compatible PPO product in Maryland's small group market in August 2004.

The National Association of Health Underwriters has added a new section to its website entitled, "Understanding Health Savings Accounts." The link also has been linked to the above-mentioned Commission website for small businesses. (http://www.nahu.org/consumer/HSAGuide.htm)

Evaluation of Mandated Health Insurance Services (2004)
Pursuant to the provisions of §15-1501(f)(2) of the Insurance Article, *Annotated Code of Maryland*, Commission staff requested that members of the House Health and Government Operations (HGO) and Senate Finance Committees submit proposals for mandated health insurance services that they would like included in the annual evaluation. As required under current law, the Commission must evaluate all mandates enacted or proposed by the General Assembly and new suggestions submitted by a member of the General Assembly by July 1st of each year. Three requests for mandate evaluation were submitted by members of the General Assembly: to evaluate wraparound mental health services for children; to evaluate air ambulance services; and to evaluate smoking cessation coverage. The final report was submitted to the Maryland General Assembly and is available on the Commission's website. The HGO and Finance Committees were briefed on the Mandated Benefits report at the end of January.

Legislative and Special Projects

Uninsured Project
DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the State's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the grant has enabled DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data to help design more effective expansion options for specific target groups. In addition, focus groups with employers were conducted in order to better understand the characteristics of firms not currently participating in the state's small group market. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services (HHS) in

November. DHMH has applied for another one-year, no cost extension to extend the grant activities to August 2005. During this period, DHMH will conduct a telephone survey of Medicaid recipients to clarify the discrepancy in data between the number of Medicaid enrollees listed in DHMH's administrative data and the number of Maryland Medicaid enrollees reported in the Census Bureau's Current Population Survey (CPS). MHCC staff is providing technical assistance. In addition to the Medicaid analysis, the remaining funding through the grant will be used for projects approved by the HRSA SPG administrative staff, such as (1) develop an outreach strategy for its Primary Care Waiver once it is approved by the Centers for Medicare and Medicaid Services (CMS); (2) provide funding for the analysis of the Maryland data from the Medical Expenditure Panel Survey – Insurance Coverage (MEPS-IC), as well as the layout design and printing of the report (Note: MHCC is taking the lead in overseeing this project); (3) provide funding for modeling fiscal and other impacts of a statutory requirement that high-income individuals who do not purchase health insurance be subject to an income tax penalty; and (4) fund for update to the Interim Report to HRSA and the Final Report due to HRSA in August 2005. The grant's supplemental funds that remain from the previous year total approximately $100,000 and are under the purview of the Department of Health and Mental Hygiene (DHMH), not the Maryland Health Care Commission.

The final report is due to HHS at the end of the contract period. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February 2004.

Patient Safety

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

Commission staff released a request for proposal (RFP) to designate the Maryland Patient Safety Center (MPSC). The Maryland Hospital Association and the Delmarva Foundation have been selected to jointly develop and operate the MPSC. Both organizations have agreed to fund the Center for the first three years. The Health Services Cost Review Commission recently approved funding the MPSC during its first year ($762,500) through increased hospital rates. This amount is equivalent to 50% of the anticipated Center expenses, and will be used in conjunction with funding from the MHA, Delmarva, and Maryland hospitals. A press conference announcing the designation was held on June 18, 2004 in Annapolis. Under the terms of the agreement, the Delmarva Foundation and the Maryland Hospital Association are required to submit semi-annual reports updating the status and progress of the MPSC. The first report was delivered to the Commission staff in November and provided to the Commissioners at the last Commission meeting. This report provides information on the MPSC's activities to date, including the arrangement of the governing structure and the staff; the formation of the advisory board, the recruitment of hospitals and nursing homes; data collection and analysis; and education (e.g., collaboratives). The First Annual Maryland Patient Safety Conference is scheduled for Thursday, March 31st – a brochure has been included in the Commissioner packet.

Prescription Drug Safety Act
The Maryland Board of Pharmacy and the Board of Physicians recently requested that Commission staff participate in a Workgroup to study the issue of legibility of prescriptions and make recommendations for any statutory or regulatory changes needed to improve prescription legibility in order to enhance patient safety. House Bill 433, "Prescription Drug Safety Act", requires that prescriptions be legible, and that the Secretary of Health and Mental Hygiene, in conjunction with the MHCC, the Board of Physicians, and the Board of Pharmacy convene a workgroup of certain individuals specified in the bill. The Board of Pharmacy and the Board of Physicians are taking the lead on the study. They requested an extension of the study from November 2004 to November 2005; however, at the request of several legislators, an interim report will be provided to the Maryland General Assembly on February 1, 2005 with a final report due August 30, 2005.

The study must include: (1) the appropriate content and format of a prescription; (2) the best means to inform and educate prescribers if changes in prescription format or content are enacted; (3) the appropriate time frame and procedures for implementation of any changes enacted; (4) mechanisms for enforcement of any changes enacted; (5) the impact of any changes in the content or format of prescriptions on oral prescriptions; (6) whether pharmacists should be prohibited by statute from dispensing illegible prescriptions; and (7) the use and cost of computerized physician order entry and the feasibility of eliminating handwritten prescriptions after a specified date.

A meeting with the Workgroup was held on January 18th to discuss the content of the interim report. On February 1, the Board of Pharmacy submitted the interim report to legislators. A copy of the report is included in the Commissioner's mailing.

Study of the Affordability of Health Insurance in Maryland
The 2004 General Assembly enacted SB131/HB845, requiring the Commission and the Maryland Insurance Administration to conduct a study of the affordability of private health insurance in Maryland. An interim report, including findings and recommendations from the study, was mailed to the Commissioners. At the January 11, 2005 Commission meeting (via conference call), the Commission approved the interim report for submission to the Maryland General Assembly. Copies of the report will be distributed to the Senate Finance Committee and the House Health and Government Operations (HGO) Committee at briefings scheduled for January 25th and January 26th, respectively. The interim report also is posted on the Commission website. The final report is due by January 1, 2006. The HGO and Finance Committee were briefed on the Affordability study at the end of January.

2005 Legislative Session
Staff has drafted a departmental bill for introduction during the 2005 legislative session to allow reasonable penalties to be applied to those entities that have failed to obtain a Certificate of Need (CON) or a required exemption when they were obligated under statute to do so and have proceeded with the project without Commission authorization. The proposed bill will also extend MHCC authority to impose reasonable penalties on entities that have received a CON but have not fulfilled required performance standards (i.e., a facility that was supposed to be constructed and operational by a certain date but has not opened thus denying timely access to services to those in need). It will specify in law that monetary penalties imposed by the Commission may not exceed $1000 per violation for each day the violation continues and will specify the factors used to determine the amount of any fine. In addition, the bill will increase, for hospitals only, the capital expenditure threshold that requires a CON from $1.25 million (required to be adjusted for inflation – now stands at approximately $1.6 million) to $2.5 million (adjusted for inflation annually). Finally, the bill deletes outdated language referencing health service areas for local

health planning agencies and updates the definition of a local health planning department to correspond with MHCC procedural regulations governing the CON program.

As of Wednesday, February 9th, staff has reviewed a number of additional bills which affect the Commission's activities. They will be presented at the February meeting so that the Commission can take a position on them. In addition, a conference call with the Commissioners will be held Thursday, February 10 to discuss Senate Bill 231, Hospitals – Emergency Department Services – Satellite Locations, and SB 269, Health – Maryland Health Care Commission – Membership.

Facility Quality and Performance

Nursing Home Performance Guide

Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Evaluation Guide Steering Committee, the site also includes the quality measures that are reported on the CMS Nursing Home Compare Website. Inclusion of this information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions.

Evaluation of the Nursing Home Guide

The Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement was to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were and a draft report was presented to the Nursing Home Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commissioners. The Nursing Home Report Card Steering Committee is in the process of prioritizing the recommendations.

Nursing Home Patient Satisfaction Survey

The Commission also contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a

similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines.

A report that included a review of the literature and interviews with various States was presented to the Nursing Home Report Card Steering Committee during their January 2004 meeting for review and comment. The Nursing Home Performance Evaluation Guide Steering Committee met on March 26, 2004 and recommended that we proceed with the self-administered family satisfaction survey and also pursue a pilot project in collaboration with AHRQ to pilot the Nursing CAHPS tool for resident satisfaction.

The RFP for the family satisfaction survey was released on November 1, 2004. The deadline for receipt of proposals was extended to December 8, 2004. The Evaluation Committee has reviewed all documents and requested best and final offers. The selected proposals will be taken to the Board of Public Works for final approval.

Nursing Home Patient Safety

The Steering Committee began discussion of nursing home patient safety measures that are appropriate for public reporting. The Committee was presented with an overview of the literature and activities and other states as well as a list of 10 common patient safety measures. The Steering Committee agreed that we should begin with reporting health care facility-acquired infections and staffing as two indicators of safety.

Hospital Performance Guide

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held on May 16, 2003. The revised Guide included quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures. The quality measures data were updated in June 2004 to include information from the 3rd and 4th quarter 2003. During this update, the time period for administering an antibiotic for pneumonia within a timely manner was reduced from 8 hours to 4 hours. Additionally, the percent of patients receiving the recommended pneumococcal vaccination prior to discharge was added to the site.

The latest edition to the Hospital Guide features the addition of six new acute myocardial infarction (AMI) treatment measures. Additionally, trend information for the past two years were publicly reported for the first time. This latest version of the guide marks an important step in providing information on differences emerging in hospital practices and identifies a trend that, in general, shows hospitals' quality measures have improved. For instance, the provision of appropriate smoking cessation counseling for heart failure patients rose from 45 percent in 2002 to 81 percent in 2004. The number of people receiving appropriate discharge instructions for

heart failure nearly doubled. The release also reveals that some hospitals have room for improvement. In the case of pneumonia care, many hospitals performed the recommended blood test more than 90 percent of the time while others perform the test less than 70 percent of the time. This edition of the Guide was released during a press event on January 27, prior to the scheduled Commission meeting. Several news articles appeared in the Washington Post, Baltimore Sun, Baltimore Business Journal, and others. The television station, Fox 45, and the Prince Georges cable channel also covered the story.

The Guide also continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, risk-adjusted readmissions rates for 33 high volume hospital procedures, and obstetrics data which were updated in December 2004 for admissions occurring during calendar year 2003.

Redesign and Expansion of the Hospital Guide

The Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement is to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed and a draft report was presented to the Hospital Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commissioners.

The Hospital Report Card Steering Committee met in July 2004 to begin the redesign process. During this meeting, the Committee approved four major areas of expansion- inclusion of composite measures and mortality data, use of different symbols and development of a hospital compare function.

The Committee met on October 12, 2004 at the University of Maryland in Baltimore County for a discussion of detailed redesign issues, facilitated by TechWrite, Inc., a subcontractor of Delmarva Foundation. The Committee agreed to a design that would specify portals for three major users-prospective patients, hospital leaders and hands-on providers. Understanding that each audience has different information requirements, the portals would serve as an entry point to targeted content, presentation and language. Website changes were prioritized and the redesign work is currently underway.

Patient Safety Public Reporting Workgroup

The goal of the Workgroup is to explore patient safety indicators that can be obtained from administrative data and then progress to other measures. The workgroup reconvened in October 2004. Staff presented preliminary AHRQ patient safety indicators and the workgroup recommended the availability for private viewing by hospitals while the Committee evaluates which indicators will be appropriate for public reporting.

Recommendations for publicly reporting healthcare acquired infections were made. The plan proposes to expand the Guide to include information on health care associated infections (HAI) – including both process and outcome measures. MHCC will work with the CDC, CMS, Patient Safety Center and the Maryland Office of Epidemiology and Disease Control Programs on infection definitions, measurement and collection. The MHCC Commissioners approved the

release of a call for public comments regarding the proposed HAI public reporting plan at its November 23rd meeting. The comment period ended December 7 with no comments precluding the data collection. However, the start date for data collection was delayed until the second quarter of 2005 to allow hospitals preparation time for complying with the new reporting requirements. The Hospital Guide Steering Committee will work with staff to develop additional implementation guidelines.

Additionally, the group has recommended that information regarding the availability of Intensivists in the ICU and progress toward computerized physician order entry (CPOE) be included on the Web site. The Committee realizes that there are varying definitions of CPOE and also realizes that some of the definitions may not be appropriate for use in the State at the current time; therefore, careful consideration will be given to components selected for reporting. Questions regarding Intensivists and CPOE were included with the hospital "Facility Profile Information" distributed near the end of October.

Staff will continue to work with the HSCRC, AHRQ, and others to produce data reports for committee review. Lastly, the workgroup recommended that the JCAHO patient safety measures be reported when they become available by either linking to the JCAHO report or adding the data to the Maryland Guide directly.

Patient Satisfaction Project

MHCC participated in a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee served as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

The Maryland Performance Evaluation Guide Steering Committee received a briefing on the pilot results during the January 27, 2004 meeting and agreed that Maryland should pursue the use of the tool to collect patient satisfaction data for the *Maryland Hospital Performance Evaluation Guide*. MHCC staff then met with representatives of CMS and AHRQ to discuss an additional pilot of the tool that will take place this summer. A proposal with a complete study design was submitted to AHRQ on April 6, 2004 to request permission to use the HCAHPS tool.

MHCC received approval to use the revised HCAHPS tool in another pilot that began in October 2004. MHCC received hospitals' submissions of four months of discharge data at the beginning of November 2004. Surveys were sent to the sample of patients drawn from the 47 acute care hospitals in Maryland. Pediatric and other specialty hospitals (e.g., cancer facilities) were excluded.

An average of 220 surveys per hospital were sent to the selected participants in an effort to obtain 100 completed surveys by mail or telephone. Discharges will be classified as medical, surgical, or obstetrics services based on the DRG code. The surveys will be randomly distributed across patients discharged from the hospital for medical, surgical, or obstetrics services (total=4,700 surveys for the state). The survey process will conclude in February 2005.

Other Activities

The Facility Quality and Performance Division is also participating in the planning process for a new Health Services Cost Review Commission (HSCRC) Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis. The draft report of the HSCRC Steering Committee was also presented to the Hospital

Performance Evaluation Guide Steering Committee on January 27, 2004 for review and comment. Since that time, HSCRC developed an implementation framework that was presented to the Commissioners during the January 2005 meeting.

Ambulatory Surgery Facility Consumer Guide

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASF). The Commission developed a web-based report that was also released on May 16, 2003. The 2003 data have been added to the site.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. It site also includes several consumer resources. The site is currently being updated to provide search and compare functionality, as well as show volume data over a three year period.

An ASF Steering Committee was convened to guide the development of the report and consists of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources. The committee will reconvene in February 2005 to review recent developments in quality improvement and patient safety in ambulatory surgery facilities.

HMO Quality and Performance

Distribution of 2004 HMO Publications

Cumulative distribution: Publications released 9/27/04	**9/27/04 to 1/31/05**	
	Paper	**Electronic Web**
Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide (22,000 printed)	19,236	Visitor sessions = 1,613
2004 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	600	Visitor sessions = 752
Measuring the Quality of Maryland HMOs and POS Plans: 2004 State Employee Guide—50,000 printed and distributed during open enrollment		

8th Annual Policy Issues Report (2004 Report Series) –

Released January 2005; distribution continued until January 2006

Maryland Commercial HMOs & POS Plans: Policy Issues (900 printed)	559	Visitor Sessions: 82

Distribution of Publications
Winter distribution of HMO publications commenced in January with scheduled mailings going to the usual recipients. The purpose of the second mass mailing is to provide copies of the newly released publication, Maryland Commercial HMOs & POS Plans: Policy Issues, to Maryland legislators, public and academic libraries, health officers, and contacts in other states. The content of this forth, and final, report in the HMO series is designed to give policy-makers the overall results of how well this delivery system provides health care to Marylanders. A letter highlighting interesting findings and a copy of the Policy Issues Report was sent to each of Maryland's 188 legislators, health plans, 24 local health officers, and other interested parties in Maryland and around the nation. The Policy Report is now posted on the MHCC website

Reference copies of the Comprehensive Report and Consumer Guide were included in all library mailings along with an order form to replenish their inventories. To date, several libraries have requested a supply of the Consumer Guide for distribution to their patrons.

Division staff carried out all support activities necessary to complete the winter mailing. The distribution protocol manual, database files, and cover letters were all updated.

2005 Performance Reporting: HEDIS Audit and CAHPS Survey

HEDIS Audit Activities
HealthcareData.com (HDC) completed the validation process for the adult sample frame compiled by each plan reporting to the Commission in 2005. The approved samples frames will be used by the CAHPS survey firm to draw the representative sample for each commercial HMO. Submissions to the survey firm were timely and produced according to specifications.

Division staff notified HDC that oversight will be conducted for the onsite review phase of the audit for Aetna, BlueChoice, Coventry, Kaiser, and both MAMSI plans. This two-day assessment is a required part of the audit process. The audit team, which includes Division staff, will review plans' information system structures, protocols and processes; and measure-specific data collection processes. Beginning with this audit cycle, validation of data collection processes will include examination of primary source documents.

In preparation for this activity, staff has begun reviewing the foundational documentation submitted to HDC that supplies information about data systems and data reporting structures. Staff will also participate in a pre-site conference call with the auditor for each plan.

Consumer Assessment of Health Plan Study (CAHPS Survey)
On February 2nd, the Board of Public Works approved the contract for the 2005 and 2006 CAHPS survey of Maryland HMOs with The Myers Group. With (MHCC unilateral) renewal option, this contract covers a three year period, February 2005 through September 2007.

The Myers Group has received sample frames for the seven Maryland HMOs required to report performance results in 2005 and has drawn a random sample for each plan for use in survey administration. CIGNA, Coventry, and Kaiser have arranged with the survey contractor to over sample to improve their response rates. Prior to mailing questionnaires addresses will be been verified through a national lookup and a final review of skip pattern logic performed. The first mailing will occur in mid-February. MHCC staff will be seeded for all mailings to monitor adherence with the scheduled.

Report Development Contract--Procurement
A request for proposals (RFP) for HMO Report Development work for the next contract period (2005 - 2007, with an extension period of one additional year through May 31, 2008) is nearly complete and will be submitted to the Department of Budget and Management for approval.

HEALTH RESOURCES

Certificate of Need
Staff issued twelve determinations of non-coverage by Certificate of Need (CON) review during January. In licensure-related activities, determinations of non-coverage by CON review were issued to Kensington Nursing and Rehabilitation Center of Montgomery County to temporarily delicense fourteen beds at the facility, to Fairfield Nursing Center of Anne Arundel County to relicense five temporarily delicensed beds, and to Randallstown Center, to temporarily delicense 45 beds. Also, CCF beds that have been temporarily delicensed at three Genesis facilities in Baltimore County for approximately 18 months have been deemed abandoned, because of the extenuated and non-specific nature of the proposed plan for their redevelopment: these beds were located at Catonsville Center (4 beds), Loch Raven Center (10 beds), and Cromwell Center (3 beds).

During the last month, Staff also issued to the planned Fox Hill Continuing Care Retirement Community in Montgomery County a determination of non-coverage by CON requirements for the establishment of a comprehensive care facility with twenty-six beds for the exclusive use of members of the retirement community, contingent on the issuance of a "preliminary certification" as a CCRC by the Maryland Department of Aging.

In addition, Staff issued authorizations for waiver beds for two health care facilities: Chesapeake Youth Center, a 54-bed residential treatment center for adolescents in Dorchester County, may increase its licensed capacity by five beds, and the Transitional Care Unit at Good Samaritan to increase the licensed bed capacity by three skilled nursing facility beds. The James Vogel Ambulatory Surgical Center in Baltimore County has received a determination of non-coverage by CON requirements to establish an ambulatory surgery center with one sterile operating room and one non-sterile procedure room.

Staff issued a determination of non-coverage by CON review to Mercy Medical Center for the closure of the four-bed psychiatric service at the hospital, following the required 45-day notice to the Commission and the holding of a public informational hearing in mid-December. Staff conducted a first-use review of Good Samaritan Hospital's renovations to the hospital for the addition of three mixed-use operating rooms, and the expansion of the PACU from nine to eighteen beds, which received CON approval from the Commission in November 2003.

In early March, Staff will be submitting an updated and extended schedule of dates for the submission of Certificate of Need applications to the *Maryland Register* for publication. The previous schedules appeared in the October 15, 2004 edition of the *Register*.

Acute and Ambulatory Care Services
Changes to COMAR 10.24.12, the State Health Plan for Acute Hospital Inpatient Obstetric Services, were approved as final regulations by the Commission at the January 27, 2005 Commission meeting. Supplement 1 will become effective on March 1, 2005.

Holy Cross Hospital submits monthly reports to the Commission on the status of its construction project pursuant to the March 2004 approval of the modification to the hospital's Certificate of Need. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs and financing mechanisms. The hospital's February update reports no changes to the project cost, the design or the financing of this project. The project is on schedule and, in the case of one renovation component of the project, ahead of schedule. The last phase of the project, the addition of a new front to the hospital, is underway, and scheduled for completion in November of this year.

Long Term Care and Mental Health Services

Under SB 732 of the 2003 Maryland legislative session, the Commission is required to collect its own hospice data, not relying on any other sources. Under contract with Perforum, the 2003 survey was developed for online data submission; a public use data set is being prepared. The Maryland Hospice Survey 2004 has now been updated and instructions have been prepared. Notice was sent to all Maryland hospices on February 9, 2005 that the survey will be online and available for data entry as of February 21, 2005.

The Commission is a member of the Maryland Department of Aging Continuing Care Advisory Committee. The first meeting of this group was held on February 7, 2005. The group will discuss issues in the continuing care statute and regulations and discuss necessary changes. Commission staff will continue to follow the work of this Committee.

Commission staff members were asked to do a presentation at the annual Maryland Hospice Day in Annapolis. Staff presented updated information on the 2003 public use data set, the Hospice Section of the State Health Plan, changes made for the 2004 Maryland Hospice Survey, and the schedule for implementation of the 2004 survey.

In response to a request from the Maryland Medicaid program for data on nursing home utilization, discharges, and discharge site, Commission staff provided data necessary for preparation of a Department position on legislation.

Specialized Health Care Services

The State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention (PCI) Services (COMAR 10.24.17) requires a hospital without on-site cardiac surgery to obtain a waiver to provide primary PCI services. Primary PCI is used to treat certain patients with acute myocardial infarction. The hospital requesting the waiver must demonstrate the ability to comply with all requirements for primary PCI programs without on-site cardiac surgery as specified in COMAR 10.24.17. The procedure for a hospital to obtain a primary PCI waiver from the Commission includes the collection and reporting of a uniform data set. In January 2005, the Commission began a pilot test of the data set recommended by the Primary PCI Data Work Group. The Commission has received initial feedback from the seven hospitals that are testing the data collection forms.

COMAR 10.24.17 requires that hospitals providing elective PCI services have cardiac surgical services on-site. This chapter of the State Health Plan also includes provisions for the Commission to consider a request for a waiver from its policies for a well-designed, peer-reviewed research proposal. On January 29, 2005, Thomas Aversano, MD sent to the Commission a proposal to study elective PCI at hospitals without on-site cardiac surgery. In a letter accompanying the proposal, Dr. Aversano stated that he and his colleagues have submitted

the proposed elective angioplasty study to other states (New Jersey, Georgia, Ohio, Connecticut, Alabama, and Illinois) for their consideration as well. The Commission has appointed the Research Proposal Review Committee to provide advice to the Commission on research proposals that require a waiver under the State Health Plan. On November 23, 2004, Stephen J. Salamon, Chairman of the Commission, appointed Thomas J. Ryan, MD to chair the Committee. Chairman Salamon also announced the appointment of Commissioner Andrew N. Pollak, MD to serve as an ex-officio member of the Committee. At the Commission's meeting on February 16th, the Chairman will announce additional appointments to the Committee.

At a conference-call meeting on November 18, 2004, the Steering Committee of the Advisory Committee on Outcome Assessment in Cardiovascular Care reviewed and endorsed the findings and recommendations in the final reports of the subcommittees on Long Term Issues and Quality Measurement and Data Reporting. On February 16th, the staff will present to the Commission the *Report of the Advisory Committee on Outcome Assessment in Cardiovascular Care: Quality Measurement and Data Reporting* and *Long Term Issues*.